

STRATEGIC PLAN 2021-24



Department of Public Service Regulation

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PART 1: INTRODUCTION



Introduction:

In January 2021, the Public Service Commission commenced an intensive Strategic Planning process with the deliberate intention of improving the operations, performance, culture, and reputation of the Commission and the Department of Public Service Regulation which the Commission administers.

To that end, all aspects of this draft plan are rooted in the statutory duty, mission, and vision of the Commission (Core Requirements identified in Part 2). The corresponding Goals & Objectives are outlined in Part 3, and the Goal-Specific Action Plans that are found in Part 4 identify the primary tasks, timelines, and resources or actions needed to accomplish each objective. Needed resources that require legislative action in the 2023 legislative session are noted with bold type “**Request:**” in front of them.

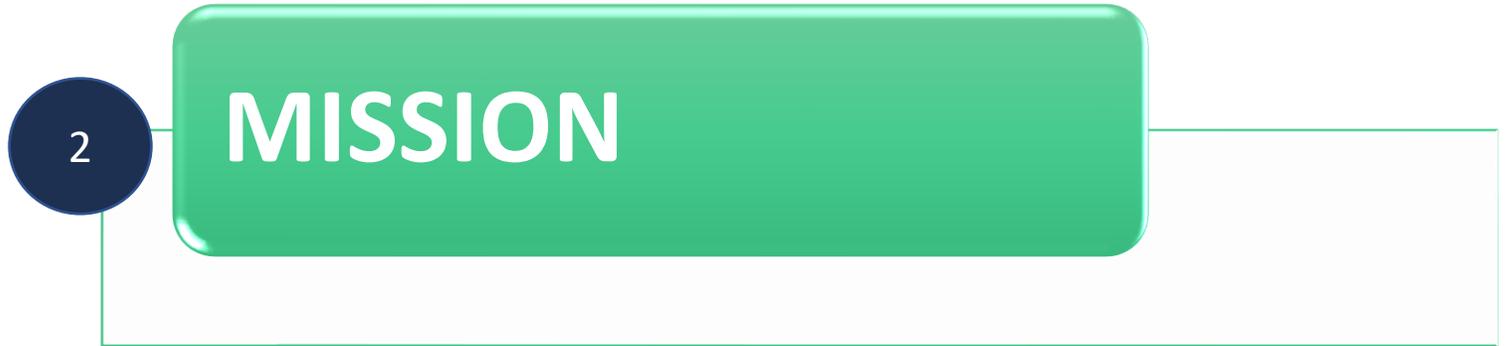
The planning period spans 2021 to 2024. This plan incorporates 18 months of effort with invaluable input from commissioners, staff, legislators, the legislative auditor, and a management consulting firm.

This document is a guide that may be appended with detailed initiatives that further guide accomplishment of each element of the plan. It’s goals, objectives, and action plans should be updated in advance of each biennium. However, to prevent drastic pendulum swings in overall direction, the Core Requirements should not be changed unless necessitated by legislative acts or strong consensus from the Commission and its Agency Coordinating Team (ACT).

Ultimately, this plan is intended to set all aspects of the agency on a path to excellence. Good governance is not an easy thing to achieve. It requires hard work, patience, skill, and a spirit of selfless service. But with a sound plan, and a unified agency committed to its tenets, good governance can and will thrive throughout the Department of Public Service Regulation.

The Commission thanks all who contributed to development of this plan, and all who strive toward achievement of the goals and objectives contained within its pages.

PART 2: CORE REQUIREMENTS



CORE REQUIREMENT 1



DUTY

It is the duty of the Public Service Commission to supervise and regulate the operations of public utilities, common carriers, railroads, and other regulated industries listed in Title 69 (MCA). Such regulation and supervision is limited by and shall be in conformance with Title 69.

It is the duty of the staff of the Department of Public Service Regulation to provide competent, professional support to the Commission in this endeavor.

CORE REQUIREMENT 2



MISSION

It is the mission of the Public Service Commission to fairly balance the interests of regulated companies and the public they serve.

It is the mission of the staff of the Department of Public Service Regulation to provide competent, professional support to the Commission in this endeavor.

CORE REQUIREMENT 3



VISION

It is the vision of the Public Service Commission to lead by example in establishing the Department of Public Service Regulation as:

- A model of good governance,
- A great place to work, and
- The state's most credible source of information and guidance regarding the industries we regulate.

PART 3: GOALS & OBJECTIVES



GOAL 1



ORGANIZATIONAL STRUCTURE

GOAL 1: Improve Organizational Structure

- Define Leadership Roles & Responsibilities
- Establish Chain of Command
- Revise Organizational Rule
- Establish Leadership Training & Standards

GOAL 2



FISCAL COMPETENCIES

GOAL 2: Improve Centralized Services Fiscal Performance

- Increase Competency, Focus, & Performance of Fiscal Staff
- Fully Cover Audit Compliance Responsibilities
- Reassign Non-Fiscal Duties to Non-Fiscal Staff
- Tighten Policies & Procedures
- Enhance Inventory System

GOAL 3



INTERNAL POLICIES & CONTROLS

GOAL 3: Improve Internal Policies and Controls

- Revise Internal Operations & Policy Manual (Blue Book)
- Perform Annual Risk Assessment
- Create Updated Records Management Standards
- Conduct Cost/Revenue Analysis

GOAL 4



REGULATORY EFFECTIVENESS

GOAL 4: Increase Regulatory Effectiveness

- Modernize Electronic Docket Management System
- Increase Staffing Proficiencies
- Maintain Sufficient Staffing Levels
- Ensure Fully Informed Commission Actions
- Issue & Defend Sound Commission Orders
- Rebuild & Enhance Railway Safety Program

GOAL 5



PUBLIC POLICY SOLUTIONS

GOAL 5: Provide Beneficial Public Policy Solutions

- Proactively Engage in Public Policy & Rule Making
- Ensure Resource Adequacy
- Participate in Regional Planning
- Build Strong Relations with Legislative & Executive Branches
- Provide Meaningful Public Information & Opportunities for Public Comment

PART 4: GOAL-SPECIFIC ACTION PLANS



GOALS

OBJECTIVES

PRIMARY TASKS

TIMELINES

RESOURCES NEEDED

1

GOAL 1 ACTION PLAN: IMPROVE ORGANIZATIONAL STRUCTURE

OBJECTIVES	PRIMARY TASKS	TIMELINE	ACTIONS OR RESOURCES NEEDED
1. Define Leadership Roles & Responsibilities	<ol style="list-style-type: none"> 1. Identify core duties 2. Define responsibilities 3. Encompass in job descriptions 	2021-22	<ul style="list-style-type: none"> <input type="checkbox"/> Adopt Core Duties and Responsibilities of Commission and ACT members <input type="checkbox"/> Create and/or update leadership job descriptions
2. Establish Chain of Command	<ol style="list-style-type: none"> 1. Create organizational chart 2. Define communication flows 3. Create reporting hierarchy 	2021-22	<ul style="list-style-type: none"> <input type="checkbox"/> Adopt Organizational Chart and Chain of Command <input type="checkbox"/> Establish Executive Director/Chief of Staff position
3. Revise Organizational Rule (ARM 38.1.101)	<ol style="list-style-type: none"> 1. Formalize leadership roles & responsibilities, chain of command, & organization chart 2. Convert Commission Chair to President with added day-to-day and oversight authorities 3. Include work unit descriptions 	2021-22	<ul style="list-style-type: none"> <input type="checkbox"/> Adopt Revised Organizational Rule ARM 38.1.101
4. Establish Leadership Training & Standards	<ol style="list-style-type: none"> 1. Establish leadership skills training program 2. Establish leadership standards of conduct 3. Implement leadership performance appraisals 	2022-24	<ul style="list-style-type: none"> <input type="checkbox"/> Request: \$20,000/Year for Development & Implementation of Leadership Training & Standards <input type="checkbox"/> Adopt Leadership Training & Standards Policies

2

GOAL 2 ACTION PLAN: (Part 1)

IMPROVE CENTRALIZED SERVICES FISCAL PERFORMANCE

OBJECTIVES	PRIMARY TASKS	TIMELINE	ACTIONS OR RESOURCES NEEDED
1. Fully Cover Audit Compliance Responsibilities	<ol style="list-style-type: none"> 1. Provide multi-layered audit compliance coverage to include active involvement of Commission Leadership, Management staff, & classified staff 2. Add a CPA to Centralized Services Division (CSD) staff 3. Add a CPA to regulatory staff and assign part time CSD audit responsibilities 4. Establish cross-training to backup CSD fiscal staff 	2021	<ul style="list-style-type: none"> <input type="checkbox"/> Executive Director position with fiscal management skills & audit oversight responsibilities <input type="checkbox"/> Business Manager position with fiscal management skills & day-to-day audit compliance responsibilities <input type="checkbox"/> CPA in Centralized Services Division <input type="checkbox"/> CPA in Regulatory Division
2. Increase Competency, Focus, & Performance of Fiscal Staff	<ol style="list-style-type: none"> 1. Assess Centralized Services Division strengths & weaknesses 2. Develop corresponding recommendations 3. Redesign fiscal staffing plan to increase focus & improve execution of fiscal matters 4. Develop effective Performance Management tools 	2021-22	<ul style="list-style-type: none"> <input type="checkbox"/> \$5k for Personnel Management Consultations <input type="checkbox"/> CSD Assessment <input type="checkbox"/> Agency Organization Initiative <input type="checkbox"/> Update Job Descriptions with Competency Requirements <input type="checkbox"/> Enhance Performance Management Policy
3. Reassign Non-Fiscal Duties to Non-Fiscal Staff	<ol style="list-style-type: none"> 1. Transfer management duties for Reception, IT, & Administrative Support to Commission Secretary 2. Transfer document processing duties to paralegal in Legal Division 3. Establish cross-training & backup responsibilities across Commission Secretary, Consumer Assistance, & Doc Processing staff 	2021-22	<ul style="list-style-type: none"> <input type="checkbox"/> Commission Secretary position <input type="checkbox"/> Assistant Commission Secretary position <input type="checkbox"/> Paralegal/doc processing position <input type="checkbox"/> Update related job descriptions

2

GOAL 2 ACTION PLAN: (Part 2)

IMPROVE CENTRALIZED SERVICES FISCAL PERFORMANCE

OBJECTIVES	PRIMARY TASKS	TIMELINE	ACTIONS OR RESOURCES NEEDED
4. Tighten Fiscal Policies & Procedures	<ol style="list-style-type: none"> 1. Ensure that current policies are followed 2. Develop tighter policies for Financial Accounting & Reporting, Procurement, Budgeting, Revenues, Travel, Inventory, and Performance Management 	2021-23	<input type="checkbox"/> Adopt related policies (Blue Book Project)
5. Enhance Inventory System	<ol style="list-style-type: none"> 1. Develop & Implement Inventory Policy 2. Develop Inventory Data Base that will be compatible with future ServiceNow Asset Management system if needed 3. Create Inventory Check Out Forms 4. Design Inventory Tags, Acquire Tags, Scanner & Bar Codes 5. Implement new Inventory System 6. Consider integrating PSC Inventory Data into DOA's ServiceNow Asset Manager if/when it becomes available 	2021-23	<input type="checkbox"/> Adopt Inventory policy (Blue Book Project)

3

GOAL 3 ACTION PLAN: IMPROVE INTERNAL POLICIES & CONTROLS

OBJECTIVES	PRIMARY TASKS	TIMELINE	ACTIONS OR RESOURCES NEEDED
1. Revise Internal Operations & Policy Manual (Blue Book)	<ol style="list-style-type: none"> 1. Establish Blue Book Review Committee 2. Conduct comprehensive review & revisions to internal policies that are responsive to strategic plan, audit recommendations, & risk assessment. 	2021-22	<ul style="list-style-type: none"> <input type="checkbox"/> \$15,000 for editing, design, & publishing services <input type="checkbox"/> Adopt revised Blue Book
2. Perform Annual Risk Assessment	<ol style="list-style-type: none"> 1. Develop Risk Assessment Tool with system for scoring & weighting risk factor criteria 2. Accounting staff to prepare annual risk assessment 3. Risk Assessment team (CSD CPA, Regulatory CPA, Executive Director, & President) to prepare appropriate risk responses and sign offs 4. Assessment distributed to full Commission & ACT 	2021 Produce Annually	<ul style="list-style-type: none"> <input type="checkbox"/> Financial Accounting Analyst (CSD CPA) <input type="checkbox"/> Internal Auditor (Regulatory CPA)
3. Records Management Standards	<ol style="list-style-type: none"> 1. Lawfully archive or dispose of old records 2. In conjunction with development of REDDI, develop a standardized system for naming, filing, retaining, & archiving electronic records consistent with SOS guidelines 3. Develop similar standard for hard copies & "S" Drive folders, files, & documents 	2022-23	<ul style="list-style-type: none"> <input type="checkbox"/> \$1500 for document shredding <input type="checkbox"/> Archiving Services of State Archivist <input type="checkbox"/> Revise hard copy rules/requirements <input type="checkbox"/> \$98k for equivalent of 1 REDDI Sprint dedicated to strong records management functionality (included in overall cost of REDD) <input type="checkbox"/> Request: \$TBD for records digitization
4. Conduct Cost/Revenue Analysis	<ol style="list-style-type: none"> 1. Track how agency resources are being expended in comparison to correlating sources of agency revenues 2. Determine if any rate payer classes are subsidizing agency services that should be funded by other means 	2023	<ul style="list-style-type: none"> <input type="checkbox"/> Determine extent of disparity, if any <input type="checkbox"/> If non negligible disparity exists, take steps to resolve it

4

GOAL 4 ACTION PLAN: (Part 1)

INCREASE REGULATORY EFFECTIVENESS

OBJECTIVES	PRIMARY TASKS	TIMELINE	ACTIONS OR RESOURCES NEEDED
1. Modernize Electronic Docket Management System	<ol style="list-style-type: none"> 1. Procure Project Manager/Software Analyst (PMSA) to aid in Identifying system requirements, evaluating solutions, and guiding the project to successful completion 2. Procure & implement appropriate solution (REDDI) 3. Use REDDI to manage all regulatory, legal, and external affairs cases and documents 4. Implement change management: Train, transition, and adapt all commissioners and staff to REDDI 5. Provide ongoing in-house system maintenance, configuration enhancements, and desktop support 	2021-23	<ul style="list-style-type: none"> <input type="checkbox"/> Request: \$75k OTO for REDDI Project Manager/Software Analyst (Total \$215k '22-'23 biennium & \$75k FY '24) <input type="checkbox"/> Request: \$138k Annual Software License (each year) <input type="checkbox"/> Request: \$940k OTO for REDDI to complete System Development (Total \$1.23m '22-'23 biennium & \$940k FY '24) <input type="checkbox"/> Request: +1FTE for IT System Administrator ('24-'25 biennium and thereafter)
2. Increase Staffing Proficiencies	<ol style="list-style-type: none"> 1. Develop legal & regulatory staff to level 2 or higher on the career ladder within 3 years of hire date 2. Identify appropriate virtual and in-person training opportunities and methodically select participants 3. Structure work teams that pair less experienced staff with more experienced staff to facilitate knowledge transfer and professional growth 4. Transfer telecommunications compliance workload from rate analysts to compliance specialists 5. Conduct substantive work unit “brown bag” trainings on specific areas of expertise to facilitate knowledge transfer 6. Provide efficient access to necessary technical tools and information 7. Develop effective performance management system 	2021-23	<ul style="list-style-type: none"> <input type="checkbox"/> Enhance Career Ladder Program <input type="checkbox"/> Request: \$TBD for staff Training & Development <input type="checkbox"/> Cross-training plan for knowledge transfer from rate analysts to compliance specialists <input type="checkbox"/> Complete REDDI project with strong docket management features & implement agency-wide change management <input type="checkbox"/> Adopt Performance Management Policy

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GOAL 4 ACTION PLAN: (Part 2)

INCREASE REGULATORY EFFECTIVENESS

OBJECTIVES	PRIMARY TASKS	TIMELINE	ACTIONS OR RESOURCES NEEDED
3. Maintain Sufficient Staffing Levels	<ol style="list-style-type: none"> Maintain accurate vacancy forecasts Provide competitive pay & benefits Enhance staff recruitment, screening, & selection Effectively manage workloads/schedules Maintain up-to-date Staffing Plan & Priorities Develop Retention Program Develop Succession Plan Provide & maintain comfortable & functional work environment 	2021-23	<ul style="list-style-type: none"> <input type="checkbox"/> Adopt Recruitment & Selection Policy <input type="checkbox"/> Adopt Pay Policy <input type="checkbox"/> Adopt Retention Program <input type="checkbox"/> Request: Waiver of Vacancy Savings Requirement <input type="checkbox"/> Request: \$TBD for HR management software <input type="checkbox"/> Request: \$60k FY'24 & \$85,020 FY '25 for office space lease increased cost <input type="checkbox"/> Request: 42 FTE total (up from 36 FTE presently)
4. Ensure Fully Informed Commission Decisions	<ol style="list-style-type: none"> Provide organized, complete packet of relevant documents to commissioners well in advance of work sessions and hearings Provide briefing memo, in-person briefing, & check commissioners for understanding regarding contested cases Conduct site visits, public field hearings, and public listening sessions Integrate REDDI with outlook calendar to provide 1-stop access to meeting materials Integrate REDDI with Consumer Assistance Program to more effectively process public input & requests for assistance 	2021-23	<ul style="list-style-type: none"> <input type="checkbox"/> Commission Secretary <input type="checkbox"/> Complete REDDI with full docket case management capabilities, outlook calendar integration, and public input features <input type="checkbox"/> Request: \$TBD/Year In-State Travel
5. Issue & Successfully Defend Sound Orders	<ol style="list-style-type: none"> Assign the most highly proficient staff to lead contested case matters Utilize specialized outside counsel when needed Ensure that commission regulatory decisions are based soundly upon documented law & evidence Employ measurable & meaningful performance management standards, training, & retention programming 	2021-23	<ul style="list-style-type: none"> <input type="checkbox"/> Adopt effective Performance Management Policy <input type="checkbox"/> Adopt effective Training & Retention Programs <input type="checkbox"/> Request: +1 FTE Staff Attorney <input type="checkbox"/> Request: +\$150k RESTRICTED Annual Litigation Fund

4

GOAL 4 ACTION PLAN: (Part 3)

INCREASE REGULATORY EFFECTIVENESS

OBJECTIVES	PRIMARY TASKS	TIMELINE	ACTIONS OR RESOURCES NEEDED
<p>6. Rebuild & Enhance Railway Safety Program</p>	<ol style="list-style-type: none"> 1. Create 3 Motive Power & Equipment (MP&E) inspection regions with 1 inspector per region 2. Create 1 statewide track inspection region with 1 track inspector 3. Recruit, hire, & retain a qualified program manager 4. Update pay & benefits to competitive range 5. Allow inspectors to be based within their region 6. Secure Federal Railway Administration (FRA) certification of all inspectors 7. Provide equipment to enhance inspection capabilities (i.e., handheld infrared cameras, spotlights, durable portable field computers) 8. Revisit and update the comprehensive railroad safety risk assessment completed in 2016 9. Implement an annual, data driven inspection planning process 10. Provide dedicated office space configured and furnished to house all PSC Railway Program Safety staff. 11. Configure REDDI to manage notices, incident records, infractions, fines, and reports 12. Assess potential implementation of drone technology for track inspections 	<p>2022-23</p>	<ul style="list-style-type: none"> <input type="checkbox"/> Request: + 1 FTE for additional MP& E Inspector (3 total) <input type="checkbox"/> Request: + 1 FTE for Track Inspector (1 total) <input type="checkbox"/> Request: \$8k/Year equipment allowance (\$4k per inspector each biennium) <input type="checkbox"/> FRA Certification training (provided by FRA) <input type="checkbox"/> \$98k for 1 REDDI Sprint dedicated to Railway Safety Program functionality (included in overall cost of REDDI) <input type="checkbox"/> DOR adjustment to State Special Revenue Railroad Assessment to cover program costs not covered by FRA

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GOAL 5 ACTION PLAN: (Part 1)

PROVIDE BENEFICIAL PUBLIC POLICY SOLUTIONS

OBJECTIVES	PRIMARY TASKS	TIMELINE	ACTIONS OR RESOURCES NEEDED
1. Proactively Engage in Public Policy & Rule Making	<ol style="list-style-type: none"> 1. Monitor state and federal legislative activity & rule- making regarding agency requirements 2. Develop appropriate input & responses 3. Complete all legislatively-required rulemaking prior to the beginning of each legislative session. 4. Regularly review all existing administrative rules to determine if such rules should be modified or repealed. 5. Automate agency rulemaking both as to deadlines &, as far as possible, to support efficient rule revision. 	2021-22	<ul style="list-style-type: none"> <input type="checkbox"/> Create public policy & rule making tracking features in REDDI <input type="checkbox"/> Adopt External Communications Policy
2. Ensure Resource Adequacy	<ol style="list-style-type: none"> 1. Conduct investigation into transmission & distribution (TD) energy efficiency 2. Complete a comprehensive review, survey, and analysis of the ability of Montana’s regulated energy utilities to provide reliable capacity resources to meet their customers’ energy or system loads at all hours 3. Conduct a commission investigation into resource adequacy, primarily to evaluate & determine both the long-term & short-term ability of Montana’s regulated utilities and/or other load serving entities to satisfy forecasted future loads reliably 4. Hold roundtables with regulated entities and interested parties on topics related to the question of whether Montana has enough capacity, contracted or otherwise, to meet system, local, & flexible adequacy requirements 	2021-23	<ul style="list-style-type: none"> <input type="checkbox"/> Complete investigatory docket on transmission & distribution (TD) energy efficiency <input type="checkbox"/> Open Resource Adequacy Investigation Docket <input type="checkbox"/> Request: +1 FTE Energy Resource Analyst

5

GOAL 5 ACTION PLAN: (Part 2)

PROVIDE BENEFICIAL PUBLIC POLICY SOLUTIONS

OBJECTIVES	PRIMARY TASKS	TIMELINE	ACTIONS OR RESOURCES NEEDED
3. Participate in Regional Planning	<ol style="list-style-type: none"> Effectively participate in discussions and decision-making related to regional development Monitor and make actionable recommendations based on regional discussions, meetings and policy developments Promote commissioner & staff engagement in regional and national discussions and meetings related to regionalization 	2022-24	<ul style="list-style-type: none"> <input type="checkbox"/> Request: +1 FTE Administrative Specialist/Policy Analyst <input type="checkbox"/> Request: \$TBD/Year Out-of-State Travel
4. Build Strong Relations with Legislative & Executive Branches	<ol style="list-style-type: none"> Build respectful working relationships with legislative and executive branches Work cooperatively with legislative committees, Governor’s Energy Office, and stakeholders Establish external communications protocol to avoid mixed messaging 	2021-23	<ul style="list-style-type: none"> <input type="checkbox"/> Adopt External Communications Policy
5. Provide Meaningful Public Information & Opportunities for Public Comment	<ol style="list-style-type: none"> Develop and distribute easy-to-read reports regarding PSC-related regulatory issues, trends, and advisements Provide timely public notice regarding PSC public meetings and opportunities for public involvement Issue timely public notices regarding outages & incidents Institute communications policy that ensures accurate and thoughtful messaging Manage records so that public records requests can be filled quickly and cost-effectively 	2021-23	<ul style="list-style-type: none"> <input type="checkbox"/> Create External Affairs Manager position and assign to management of Consumer Relations Program <input type="checkbox"/> Incorporate strong records management capabilities in REDDI <input type="checkbox"/> Adopt revised Records Requests Policy <input type="checkbox"/> Adopt External Communications Policy

APPENDIX: INITIATIVES



[Strategic Planning Initiatives May Be Appended
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